Wealth Markets and Commerce

Finance - Economics

WALL STREET OFFICE: Mills Building, 15 Broad St. Telephone: Hanover 6514

A compilation, just completed, of the earnings of street railway properties for the first quarter of the current year shows in a striking way the extent to which these companies have suffered by the extraordinary rise in labor costs and the prices of the materials required in their operation. On a mileage of about 7,500 the operating revenues per mile of line in the period mentioned were $5,733, an increase, compared with the corresponding period of 1917, of 2.54 per cent. But operating expenses increased 11.17 per cent, so that net operating revenues declined 13.97 per cent. The operating ratio jumped from 65.68 per cent to 74.20 per cent. An interesting point disclosed by these statistics is that the Eastern utilities have suffered a great deal more than those in other sections of the country. In this district the decrease in net earnings was no less than 19.61 per cent, while in the West it was 6.58 per cent, and in the South only 3.15 per cent. This disparity may be attributed to two things—first, wages have advanced more in the East than elsewhere, and, second, Western and Southern regulatory authorities have not been so reluctant to sanction rate increases. It is, perhaps, significant in this connection that in the last-named districts there was actually an increase in net earnings during March, whereas in the Eastern district there was a substantial decrease.

Wall Street is wondering if the restful flatness of the market is not going to be broken by another "deal on-deal off" episode. This time it is certain tobacco stocks that traders are watching as a possible source of sustained excitement. The thing began early in the week, when a few lines were printed intimating that negotiations for merging several important companies were under way. That report having been published without arousing much interest, artless attempts were made to give the story impetus. For example, we were called on the telephone and told if we printed details it would have to be on our own responsibility; one of the important interests identified with the deal must not be quoted in any way, because, if we were to talk about the matter at all, some one might suspect him of being interested in the stock market. He would much prefer not to have anything said at all, but if it seemed necessary to print something it would be all right to state that the stock of one of the companies concerned would be put in at no less than $150 a share—about $50 more than it is selling for in the market. Inasmuch as we had not intended to print the story this injunction was rather unusual. Anyway, we obliged by carrying out our first intention. It is, perhaps, a minor detail that twenty-four hours later a trifle of $25 a share was lopped off the price at which this stock was scheduled to go into the deal—if a deal should be made.

Money and Credit

The actual condition of member banks shown by the Clearing House statement yesterday follows:

Loans, discounts, investments, etc.	$4,393,554,000
Cash in vaults of Federal Reserve members	96,513,000
Reserve in Federal Reserve banks	639,725,000
Cash in vaults of state banks and trust companies	14,308,000
Reserve in depositories	9,110,000
"Net demand deposits	3,700,076,000
"Net time deposits	158,137,000
Circulation	36,631,000
Aggregate reserve	663,143,000
Excess reserve	124,826,550

"United States deposits deducted, $606,930,000.

The changes from a week ago:

Loans and discounts	Dec.	$66,891,000
Cash in vaults of Federal Reserve members	Dec.	2,722,000
Reserve in Federal Reserve banks	Inc.	128,844,000
Reserve in vaults of state banks and trust companies	Dec.	339,000
Reserve in depositories	Dec.	48,000
Net demand deposits	Inc.	27,815,000
Net time deposits	Dec.	880,000
Circulation	Inc.	58,000
Aggregate reserve	Inc.	128,457,000
Excess reserve	Inc.	124,826,550

Bank Acceptances.—Rates were unchanged as follows yesterday:

	Thirty days.	Sixty days.	Ninety days.
Spot delivery:	Per cent.	Per cent.	Per cent.
Eligible member banks	4¼@4	4¼@4¼	4¼@4¼
Eligible non-member banks	4¼@4¼	4⅜@4¼	4⅜@4¼
Ineligible bank bills	5¼@4¾	5¼@4¾	5¼@4¾
For delivery within thirty days:			Per cent.
Eligible member banks			4½
Eligible non-member banks			4½
Ineligible bank bills			6

Sub-Treasury.—The banks lost to the Sub-Treasury yesterday $506,000.

Silver.—Bar silver in London was unchanged; New York, 99½c; Mexican dollars, 77c, unchanged.

Discount Rates.—The following table gives the current rates of the twelve Federal Reserve banks on commercial paper on all periods up to ninety days:

	Within 15 days, incl. member banks' collateral notes.	16 to 60 days' maturity.	61 to 90 days' maturity.
Boston	4	4¾	4¾
New York	4	4¾	4¾
Philadelphia	4	4¾	4¾
Cleveland	4½	4¾	4¾
Richmond	4¾	5	5
Atlanta	4	4¾	4¾
Chicago	4	4¾	4¾
St. Louis	4	4¾	4¾
Minneapolis	4	4¾	4¾
Kansas City	4½	5¼	5¼
Dallas	4	4¾	5
San Francisco	4	4¾	4¾

Bank Clearings.—Bank clearings yesterday in New York and other cities were:

	Exchanges.	Balances.
New York	$747,970,163	$90,637,337
Boston	60,472,208	8,663,584
Philadelphia	66,956,398	17,371,567

London Money Market.—LONDON, June 29.—Money was firm at 3 per cent. Discount rates were: Short bills, 3½ per cent; three month bills, 3½ per cent. Gold premiums at Lisbon were at 130.00.

The Dollar in Foreign Exchange

Interest in the foreign exchange market during the past week centred more in the efforts that are being made by the Federal financial authorities to stabilize exchanges between the United States and various neutral countries than in any movement in rates. As a matter of fact, foreign exchange rates fluctuated narrowly as a rule, and apart from a further recovery in Italian exchange, the market was without special feature.

International bankers were much interested in the plan to stabilize exchange set forth by Leopold Fredrick, director of the American Smelting & Refining Company and a foreign exchange expert of prominence, who appeared before the Senate Committee on Banking and Currency last week. Mr. Fredrick urged the immediate formation of an inter-Allied committee, which would control the license bureaus in control of imports and exports of the United States, Great Britain, France and Italy and arrange for the necessary credits in neutral countries. Mr. Fredrick said that as the United States is the largest lender to the Allies, this country should naturally take the lead.

That every effort is being put forth to maintain the value of the dollar in neutral countries is indicated by the fact that the Treasury has now under consideration the issuance of Liberty Loan bonds, payable in foreign money to be sold in foreign countries. Provision granting authority to the Secretary of the Treasury to make such bonds in the hands of foreign owners exempt from all taxation in this country is contained in the $8,000,000,000 bond bill passed by the House of Representatives toward the close of the week.

If you calculate the cost of the dollar in terms of foreign money at par value—that is, if you were buying dollars with pounds, marks or francs—its value at the close of the week, as compared with a year ago, would be as follows:

	—Cost of one dollar— Yesterday.	Year ago.
In English money	$1.02	$1.02
In French money	1.10	1.11
In Dutch money	.79	1.01
In Swiss money	.78	.89
In Swedish money	.69	.93
In Russian money	3.86	2.26
In Italian money	1.32	1.70
In Spanish money	.70	.82

Closing rates yesterday, compared with a week ago, follow:

(Quoted dollars to the pound.)

	Yesterday.	Week ago.
Sterling, demand	$4.75⅝	$4.75⅝
Sterling sixty days	4.72½	4.72½
Sterling, cables	4.76⁷⁄₁₆	4.76⁷⁄₁₆
Sterling, ninety days	4.71¼	4.71
(Quoted units to the dollar.)		
Francs, checks	5.71⅜	5.71½
Francs, cables	5.69⅝	5.70
Lire, checks	8.85	8.91½
Lire, cables	8.84¼	8.89½
Swiss, checks	3.99	3.98½
Swiss, cables	3.96	3.92½
(Quoted cents to the unit.)		
Guilders, checks	.50⅞	.51
Guilders, cables	.50⅜	.51⅜
Rubles, cables	13.00	13.00
Spain, checks	27.75	27.75
Spain, cables	27.85	27.90
Sweden, checks	35.55	34.65
Sweden, cables	35.85	34.85
Denmark, checks	31.00	31.10
Denmark, cables	31.20	31.30
Norway, checks	31.45	31.50
Norway, cables	31.65	31.70
Argentine, checks	.44¾	.45
India, rupees, checks	.37¾	.37¾
India, rupees, cables	.38	.38
(Reserve Bank rate)	35.73	35.75

Below is given the current exchange value of foreign money in dollars and cents, together with the intrinsic gold parity, as calculated by the United States Mint:

	Current exchange value.	Intrinsic value.
Pounds, sterling	$4.75⅝	$4.86⅝
Francs	0.17.4	0.19.3
Guilders	0.50⅞	0.40.2
Rubles	0.13.25	0.51.5
Lire, checks	0.11.26	0.19.3
Crowns (Denmark)	0.31.05	0.26.8
Crowns (Sweden)	0.35.70	0.26.8

The above rates express the cost of foreign money in terms of the American dollar. You buy an English pound sterling at, say, $4.75⅝. The intrinsic parity is $4.86⅝ so that sterling is at a discount. Or you may say either that pounds are at a discount or that dollars are at a premium, which is the same thing. If the English demand for dollars is more than the demand for pounds in the American market, the pound falls and the demand is satisfied by sales of American securities, through these sales exchange on this country's accounts in England.

U. S. and Canada To Control Sale Of New Securities

Agreement Will Make Capital Issues Committee's Influence Cross Boundary

WASHINGTON, June 29.—A reciprocal agreement will be entered into next week by the capital issues committee and Sir Thomas White, Canadian Minister of Finance, for joint control of the sale of public or private securities of one country in the other.

The first transaction under the agreement, now tentative, is the approval by the capital issues committee of the American government of $5,000,000 6 per cent equipment trust certificates of the imperial rolling stock company of Canada, to be floated, mainly in this country, to provide funds for buying ten locomotives and 2,400 freight cars for the Canadian Northern Railway. The issue previously had been sanctioned by Sir Thomas White, who exercises the same control over the capital issues in Canada that the capital issues committee does here.

Will Control Offerings

"Under the proposed agreement," it was announced, "both agencies will undertake to obtain assurances from the investment houses and brokers in their respective jurisdictions that no securities will be sold or offered for sale across the boundary without first obtaining the approval of the controlling authority in the jurisdiction where the securities are to be sold."

One reason prompting the capital issues committee to approve Canadian securities at this time is the beneficial effect on the Canadian exchange rates.

The capital issues committee to-day announced the appointment of Dudley Cates, of San Francisco, as secretary and chief examiner, and the creation under him of a new bureau of examiners to digest applications for approval of proposed securities issues. This bureau will assist in gathering information on these issues from local capital issues committees in each Federal Reserve district, and from the fuel, food and railroad administrations, War Industries Board, and other government departments which can throw light on the war necessity of the project covered by proposed securities issues.

Delano Out of Committee

Frederic A. Delano, who has resigned as member of the Federal Reserve Board to enter the army, also has given up his membership on the capital issues committee, an announcement to-day said. A successor will be appointed by President Wilson.

Tax Payments Swell Banking Reserves

New York Clearing House Reports Week's Increase To Be $171,971,680

The New York Clearing House, in its weekly statement, issued yesterday, reported reserves in excess of legal requirements of $171,971,680, an increase of $124,826,550 over the preceding week, making the surplus the largest in months. The largest surplus in the history of the Clearing House was $278,452,990, reported about a year ago, when the reserve requirements of the banks were lowered through the putting into effect of amendments to the Federal Reserve act.

The huge increase in excess reserves last week, as disclosed in the Clearing House statement, was the result mainly of shifting of funds in connection with government financial operations and the large tax payments. United States government deposits at this centre increased from $371,786,000 to $506,930,000 last week. These banks are not required to carry reserves against the government deposits.

Loans and discounts of the Clearing House banks decreased last week $66,891,000 to $4,393,554,000. Net demand deposits increased $27,185,000.

U. S. Debt Eleven Billions in April

Obligations Include War Stamps and Liberty Bond Issues

WASHINGTON, June 29.—The aggregate of the interest bearing debt of the United States on April 30 last was $11,112,181,437, it is stated in the financial statement of the government. War Savings and thrift stamps totalled $203,182,545.72. The first Liberty Loan totalled $1,986,595,201.93, the second Liberty Loan $3,774,122,767.81, these amounts representing receipts of the Treasurer of the United States on account of the principal of these bonds up to the end of the day. The total from the third Liberty Loan was $245,776,232.36.

The gross debt amounted to $11,350,376,680 and the net debt to $10,604,523,735. The increase in the net debt it is stated that up to April 30 in this fiscal year $4,956,292,750 have been expended from authorized bond sales for purchase of the obligations of foreign governments. Payments received from the latter on account of the principal of their obligations were $61,200,000, and the reduction of the interest bearing debt of the United States.

Net pay warrants drawn for the fiscal year 1918 to the date given on account of the military establishment of the War Department amount to $4,061,200,836. The net disbursements for the military establishment of the Navy Department is $1,057,624,374.

R. L. O'Donnel Made General Manager of Penn. Road

PHILADELPHIA, June 29.—R. L. O'Donnel has been appointed general manager of the Pennsylvania Railroad on the lines east of Pittsburgh. Mr. O'Donnel, who has been assistant general manager, succeeds Elisha Lee, who was made Federal director of the road. The following other appointments were announced: G. S. Krick, now general superintendent of the New Jersey division, to be assistant general manager; R. V. Massey, general superintendent of the Eastern Pennsylvania division, to be general superintendent of the New Jersey division, and H. W. Smith, superintendent of the Midvale division, to become superintendent of the Eastern division.

Federal Reserve Banks

WASHINGTON, June 29.—Increases of $26,000,000 in gold reserve and of $183,000,000 inholdings of certificates of indebtedness, together with weaker discount operations, resulted in raising earning assets of the twelve Federal Reserve Banks $105,000,000 in the last week. The twelve banks' condition at the close of business last night was reported to-day by the Federal Reserve Board as follows:

RESOURCES

	June 28.	June 21.
Gold coin certificates in vault	$419,907,000	$438,773,000
Gold settlement fund (F. R. Board)	491,425,000	481,023,000
Gold with foreign agencies	16,275,000	17,003,000
Total gold held by banks	$927,607,000	$936,804,000
Gold with Federal Reserve agents	33,544,000	30,331,000
Gold redemption fund	987,870,000	957,238,000
Total gold reserves	$1,949,021,000	$1,924,373,000
Legal tender notes, silver, etc	57,178,000	56,738,000
Total reserves	$2,006,199,000	$1,981,111,000
Bills discounted—members	869,175,000	931,270,000
Bills bought in open market	216,848,000	232,472,000
Total bills on hand	$1,086,023,000	$1,163,742,000
United States government long term securities	40,227,000	40,877,000
United States governm't short term securities	218,839,000	35,383,000
All other earning assets	23,000	100,000
Total earning assets	$1,345,112,000	$1,240,602,000
Due from Federal Reserve banks—net	10,632,000	4,705,000
Uncollected items	530,719,000	588,859,000
Total deductions from gross deposits	$520,087,000	$584,154,000
Five per cent redemption fund against Federal Reserve Bank notes	735,000	735,000
Al other resources		90,000
Total resources	$3,872,133,000	$3,806,692,000

LIABILITIES

	June 28.	June 21.
Capital paid in	$75,858,000	$75,770,000
Surplus	1,134,000	1,134,000
Government deposits	84,535,000	159,457,000
Due to member banks—Reserve account	1,557,587,000	1,464,986,000
Collection items	286,302,000	287,769,000
Other deposits, including for'n gov't credits	121,842,000	117,345,000
Total gross deposits	$2,049,906,000	$2,029,550,000
Federal Reserve notes in actual circulation	1,722,216,000	1,677,951,000
Federal Reserve Bank notes in circulation, net liability	10,390,000	9,945,000
All other liabilities	12,629,000	12,335,000
Total liabilities	$3,872,133,000	$3,806,692,000

Ratio of gold reserves to net deposit and Federal Reserve note liabilities combined 59.9 per cent. Week before, 61.6 per cent.

Ratio of total reserves to net deposit and Federal Reserve note libilities combined 61.7 per cent. Week before, 63.4 per cent.

Federal Reserve Bank of New York

RESOURCES

	June 28.	June 21.
Gold coin and gold certificates:		
Gold settlement fund	$222,645,000	$140,617,000
Gold in vaults	300,169,616	302,525,002
Gold with foreign agencies	5,578,638	5,578,638
Gold with Federal Reserve agent and in redemption fund, Federal Reserve notes	280,795,275	258,566,445
Total gold reserve	$809,188,529	$707,287,036
Legal tender notes, silver certificates and subsidiary coin	43,934,177	43,896,265
Total reserve	$853,122,707	$751,183,351
Bills discounted and bought:		
Commercial paper	259,265,110	383,303,044
Acceptances	115,812,502	123,457,834
Totals	$375,077,613	$506,760,879
Investments:		
United States bonds and notes	198,825,800	3,802,350
U. S. certificates of indebtedness purchased from the banks with agreement to repurchase in fifteen days	693,000	2,240,000
Totals	$199,518,800	$6,042,350
Due from other Reserve banks	14,334,064	7,018,457
Total resources	$1,442,053,184	$1,271,005,038

LIABILITIES

	June 28.	June 21.
Capital	$19,846,150	$19,786,150
Member banks' deposits (net)	718,144,775	534,165,803
Non-member banks' deposits (net)	4,984,299	4,515,269
Government deposits	21,736,473	55,073,396
Due to other Federal Reserve banks (net)	....	....
Due to War Finance Corporation	8,472,578	7,151,264
Federal Reserve notes (net)	562,847,970	546,707,745
Foreign government accounts	100,567,492	98,758,625
Other liabilities	5,453,444	4,846,783
Total liabilities	$1,442,053,184	$1,271,005,038
Federal Reserve notes outstanding	612,285,700	591,036,930
Against which there is deposited with Federal Reserve agent:		
Gold and lawful money	265,795,275	246,066,445
Commercial paper	375,077,613	506,760,879

News Digest

New York

To Retire From Stone & Webster.—Announcement was made yesterday that Dwight F. Robinson and John W. Hallowell will retire from the firm of Stone & Webster on July 1, and the business will be continued by the remaining partners, Charles A. Stone, Edwin S. Webster, Russel Robb and Henry G. Bradlee. Mr. Robinson has been with the firm since 1893, and from 1908 was president of the Stone & Webster Engineering Corporation and a partner since 1912. Mr. Hallowell, with the firm since 1901, became a partner in 1912. Since May, 1917, he has been in Washington with Mr. Hoover as a member of the United States food administration. He expects to continue in that work during the duration of the war.

Exchange Firms to Dissolve.—The weekly bulletin of the Stock Exchange announced yesterday that the following brokerage firms will be dissolved, either on June 30 or July 1: Vickers & Phelps, G. W. Dougherty & Co., Secor, Halsted & Co., Richardson, Hill & Co. and Joseph & Wiener. Richardson, Hill & Co. will continue business under the same name. Secor, Halsted & Co. will be reorganized under the name of Boyd, Halsted & Co. Phelps & Neeser will succeed Vickers & Phelps.

Atkins Joins Emergency Fleet.—Robert F. Atkins, Eestern credit manager Universal Portland Cement Company, of Chicago, has resigned to become credit manager of the Emergency Fleet Corporation, July 1. E. M. Johnson, formerly assistant credit manager of the Universal company at Chicago, succeeds Mr. Atkins at Pittsburgh, and A. J. Joyce, of the Chicago office, succeeds Mr. Johnson.

Canadian Business Outlook

In normal times such excellent crop prospects would stimulate general business, but the fact remains that the requirements of the war are not diminishing and have pre-empted the use of a large part of our industrial plants. The remainder is inadequate to handle ordinary business with reasonable promptness. A difficulty incidental to a period of high prices is that more capital is required to handle the usual volume of business, as the purchase of raw material now involves an outlay double that of the pre-war period. For example, an industry which has been accustomed to purchase raw cotton to the value of one million dollars now finds itself under the necessity of paying over two million dollars for the same quantity of material. All textile mills are crowded with orders and their chief concern is the procuring of raw materials. They therefore regard with some apprehension the action of the United States government in commandeering the wool supply on the basis of the prices existing in July, 1917.—Canadian Bank of Commerce.

Bonds for Conversion Must Carry Coupons

Federal Reserve Bank Calls Attention to Liberty Issues' Rules

The Federal Reserve Bank of New York sent out a letter to all banks and trust companies in this district yesterday calling attention to the fact that many institutions in making deliveries of bonds of the second loan which have been paid for on the weekly or monthly instalment plan have in some instances detached the first two coupons from the bonds. Inasmuch as the second Liberty Loan bonds presented for conversion into 4¼ per cent bonds must have the November 15, 1918, coupon attached the owners in all such cases will be deprived of the conversion privilege.

The letter further states the necessity, therefore, of delivering in all cases bonds with the November 15, 1918, coupon attached, and where it is necessary, due to delayed payments, to collect an interest adjustment amounting to more than the value of the first coupon on the bond that the excess be collected from the subscriber in cash.

The banks are requested to call this matter to the attention of all employers of labor, associations or others subscribing through them who are handling subscriptions to the second loan on the instalment plan and to coöperate in this respect to the end that the small holders may have no cause for complaint due to their inability to convert their second loan bonds into bonds bearing 4¼ per cent interest.

Plenty of Money For Legitimate Business Needs

Western Banks Could Get More, but Confine Interest Demand to 6 Per Cent

(Special Correspondence of The Tribune)

CHICAGO, June 29.—"I believe there is enough money to go around, and although banks could get any rate they wanted we are stopping at 6 per cent," said John J. Mitchell, president of the Illinois Trust and Savings Bank, to the Tribune's representative to-day. "I know no reason for any legitimate business not being accommodated at 6 per cent. Bond issues are being taken care of. Of the $20,000,000 notes of the Union Pacific our bank will take probably $500,000. There are a number of moderate sized bond issues contemplated.

"I do not see much point to the proposition that banks indorse notes of corporations borrowing through the War Finance Corporation. In such transactions that corporation would not fulfil entirely its purpose. Should banks stand back of such loans they would assume all liability, while the government would merely furnish the money. Borrowing usually is more or less psychological. When the government guaranteed funds to Southern cotton growers a few years ago only a small percentage of planters took advantage of the offer. When you know you can get a thing you may not want it.

"The situation in the Chicago district is more hopeful to-day than for months. War news favorable to the Allies has created a buoyant feeling and there is confidence in every man's face. It is confidence, hope and optimism more than loans and rates of interest that makes business healthy and the country prosperous. A little more such news and business will jump again toward pre-war normality.

"To me war news is most favorable. Had the Central Powers followed up their gains against the British on the West front with gains against the Italians it would have had a most depressing effect. But victory by the Italians has checkmated German gains, and the fact that the Germans were stopped in the West throws victory really with the Allies. The balance of man power is now entirely with the Allies, and the Central Powers are disappointed in the quantity of foodstuffs they have been able to get from Rumanian and other Eastern countries.

"All this is exhilarating not only to business men, but to right-thinking humanity."

Mr. Mitchell has three sons in war service. One is first lieutenant in light artillery now in France, another is an aviator doing scout duty on the coast of that country and the third is an aviator, who is recovering from injuries sustained in a fall at Jacksonville, Fla.

Corporate Returns

Louisville, Henderson & St. Louis Railway.—The company reports total operating revenue for the year ended December 31, 1917, of $2,226,650, which compares with $1,751,113 for the preceding year. Operating income totalled $682,005, compared with $528,730 for the year before. Gross income amounted to $697,253, against $540,478 for the previous year. Surplus after charges was $362,417, compared with $259,411 for the year previous.

Gulf, Mobile & Northern Railroad Company.—The annual statement of operations for the year ended December 31, 1917, discloses gross earnings of $2,322,650, compared with $2,051,088 for the year before. Net after taxes amounted to $592,102, which compares with $477,211 for the year ended 1916. Other income totalled $186,537, bringing the total to $778,639, an increase of $158,714 over the preceding year. Surplus after charges was $772,010, an increase of $159,133 over the previous year.

Canadian Pacific Railway.—The company's report for May shows gross earnings of $13,314,000, against $14,355,150 for the corresponding period of last year. Net amounted to $3,687,775, which compares with $4,551,720 for the same month of the year before. Gross revenue for the first five months of the current year totalled $59,434,900, compared with $57,799,799 for the first five months of 1917. Net was $11,894,836.

New York, Ontario & Western Railroad Company.—Gross earnings for May totalled $767,287, compared with $756,263 for May of the preceding year. Net after taxes was $42,140, against $188,146 for the corresponding month last year. The five months' gross income amounted to $3,745,480, which compares with $3,304,919 for the same months of the previous year. Deficit after charges for the period was $331,343, compared with a surplus for the corresponding months of the year before of $124,454.

American Retailer For Chile Urged

Study of Foreign Wants Will Enable Retention of War Business

The establishment of an American house in Chile specializing in the retail business would do more toward increasing the American share of business there than any other single factor, according to a report on textile markets in Chile issued yesterday by the Bureau of Foreign and Domestic Commerce, Department of Commerce. There are American importers in Chile, but there is no retail American concern.

Though the United States normally holds third place in the total imports into Chile as well as in the exports from that country, its position is seventh in the imports of textiles, the principal sources of supply being England, Germany, India, France, Italy, Belgium and the United States. As a result of the war, American goods are imported in larger quantities and are well liked. Many articles are now purchased from the United States that formerly were procured from other countries, and merchants are beginning to realize that the stories of the superiority of European fabrics are to be taken with a liberal discount. If proper attention is given to the requirements of the markets, says the report, there is every reason to think that a large share of the increase may be retained when the war is over.

Joins Federal Reserve

WASHINGTON, June 29.—The City Savings Bank and Trust Company, Alliance, Ohio, with resources of $2,427,000, has been admitted to the Federal Reserve system.

Relevant Comment

B. R. T. Plan Likely to Succeed

The response to date by the holders of the $57,700,000 Brooklyn Rapid Transit notes to the request for deposits of their securites under the arrangement approved by the War Finance Corporation indicates the success of the plan. The War Finance Corporation agreed to provide the funds to pay off 30 per cent of the notes in cash provided the other 70 per cent were extended for three years at an interest rate of 7 per cent. A large number of noteholders have already agreed to this proposal, and it is expected that the total on July 10, when the deposit period ends, will be sufficient to declare the plan effective.

Sinclair Continues Advance

Sinclair Oil stock continued its recent advance yesterday and sold as high as 34⅝, a new high on the movement and less than 5 points below the high mark of the year. Pool operations, said to have been based on the recovery in the company's earnings, are stated to be responsible for the strength in the stock over the past week.

Denver & Salt Lake Committee

A protective committee has been formed in the interests of the holders of the Denver & Salt Lake Railroad 5 per cent equipment notes dated March 1, 1913, and a 6 per cent equipment issue dated July 1, 1915. The members are John H. Mason, president of the Commercial Trust Company of Philadelphia, chairman; Pierrepont V. Davis, of the National City Company; Sewall S. Watts, of Watts, Baker, Watts & Co., of Baltimore; Arthur Dorrance and Reynolds D. Brown, Philadelphia. The Commercial Trust Company of Philadelphia has been designated as depositary and the Empire Trust Company of this city agent for the depositary. Noteholders are requested to deposit their holdings by July 15.

Malting Liquidation Plan

W. Forbes Morgan, jr., who has resigned as director of the American Malting Company "to have a free hand in arranging a plan of liquidation of the company's assets," was quoted yesterday as saying: "As far as I know the directors are not opposed to liquidation. Officially, however, they cannot discuss any plan looking toward the dissolution of the company unless it cannot meet its obligations or unless it is asked by the stockholders to dissolve." The assent of 87,000 shares out of the company's outstanding 130,000 shares is necessary to put through any liquidation plan.

Russian Bonds Go Higher

The 5½ per cent ruble bonds of the Imperial Russian Government, which were sold extensively in this country in the early days of the war when the Czar was still in power, reflected further yesterday the latest developments in Russia. They were quoted in the financial district at $96 to $100 per 1,000 rubles, compared with $93 to $96 the preceding day. The external 6½s and the 5½s were also higher, the former closing at 48, compared with Wednesday's last sale at 47. The 5½s closed at 47, a net gain of a point.

Pennsylvania Road Gains

Decrease in Net Railway Operating Reduced in May

The Pennsylvania Railroad system showed a marked increase in its gross operating revenue for May, compared with April. The gain was more than $7,000,000. In railway operating income it reports for last month a gain of nearly $500,000 compared with a decrease of $1,710,253 for April. Its May decrease in net railway operating income was but $31,927, compared with a decrease of $2,071,849 for April. A summary of May earnings lines east and west of Pittsburgh) is as follows:

	May.	Increase.
Gross	$49,287,779	$7,056,681
Operating expenses and taxes	39,550,728	6,566,565
Railway operating income	9,737,051	490,116
Net hire of equipment and joint facility rents	1,386,432	522,043
Net railway operating income	8,350,619	*31,927

*Decrease.

Soldiers' Wool Needs Large

CHICAGO, June 29.—A bulletin of the national sheep and wool bureau to-day says that a large part of the present raw wool stock in this country, and all of it to be produced or imported to about June 20, 1920, will be required for military use. The bulletin adds that there are large stocks of manufactured clothing and cloth on hand adequate for essential civilian

Few Banks In Dominican Republic

There are several prosperous towns in the Puerto Plata consular district that comprises the northern half of the Dominican Republic that are not provided with banking institutions.

These towns in the order of their importance are La Vega, with 5,500 inhabitants; San Francisco de Marcoris, 5,000; Moca, 4,000; Monte Cristi, 3,000, and Salcedo and Samana, with about 2,500 each. Samana and Monte Cristi are seaports, while Moca, La Vega, Salcedo and San Francisco de Macoris are all interior towns located in the richest agricultural section of the island. In addition to their local trade, all of these towns do a large import and export trade, in view of which it seems that they should offer good openings for American branch banks.—Commerce Reports.

Dividends

Extras

Maple Leaf Milling Company.—An extra dividend of 1 per cent on the common stock has been declared, in addition to the regular quarterly dividends of 2½ per cent on the common and 1¾ per cent on the preferred stock, all payable July 18 to stockholders of record July 3.

Regular Declarations

Air Reduction Company.—Quarterly dividends of $1 per share on the common and 1¾ per cent on the preferred stock, both payable July 15 to stockholders of record June 30.

Detroit Iron & Steel Company.—Quarterly dividends of 25 cents per share on the common and 17½ cents per share on the preferred stock, both payable July 15 to stockholders of record July 6.

Erie Finance Corporation.—Dividend of 5 per cent, payable June 29.

Great Lakes Transit Company.—Quarterly dividend of 1¾ per cent, payable July 1 to stockholders of record June 25.

Midwest Oil Company.—Quarterly dividend of 2 per cent, payable July 20 to stockholders of record July 2.

United Railway & Electric Company of Baltimore.—Quarterly dividend of 50 cents per share on the common stock, payable July 15 to stockholders of record June 29.

United Alloy Steel.—Quarterly dividend of $1 per share, payable July 20 to stockholders of record July 10.

York Railways Company.—Quarterly dividend of 1¼ per cent, payable July 30 to stockholders of record July 20.

Westinghouse Air Brake Company.—Quarterly dividend of $1.75 per share, payable July 31 to stockholders of record July 15.

Significant Relations

Money and Prices:	Now.		A year ago.
Stock of money gold in the country	$3,042,703,219		$3,088,904,808
	May 10, 1918.		Nearest period previous year.
Loans of all national banks	9,260,000,000		8,751,679,000
Their surplus reserves	114,000,000		973,981,000
	Last week.		A year ago.
Bills discounted and bought by Federal Reserve Banks	$1,086,023,000		$399,512,000
Federal Reserve notes in circulation	1,722,216,000		508,807,000
Total gold reserve	1,949,021,000		1,294,566,000
	Yesterday.	The day before.	A year ago.
Average price of fifty stocks	77.90	77.92	88.98
Average price of twenty-five bonds	84.91	84.73	91.26
	Last week.	The week before.	A year ago.
Food cost of living (Annalist index number)	281.189	281.758	276.129
	June 1.	May 1.	A year ago.
General commodity price level (Dun's index number)	224.843	226.665	212.586
Production:	May 31.	April 30.	A year ago.
Unfilled U. S. Steel orders, tons	8,337,623	8,741,882	11,886,591
	May.	April.	A year ago.
Pig iron (daily average), tons	111,175	109,607	110,238
	1918 yield estimated.		The 1917 crop.
Wheat crop, bushels	931,000,000		650,828,000
Oats crop, bushels	1,500,000,000		1,587,286,000
	—Increase or decrease from year before—		
Distribution:	11 roads. Second week in June.	149 roads. Month of April.	Jan. 1 to April 30.
Gross railroad earnings	+13.6%	+15.9%	+8.8%
Bank clearings	+23.8%	—6.2%	+4.5%
General:	May.	April.	A year ago.
Active cotton spindles	33,720,555	33,746,893	33,457,368
Commercial failures (Dun's):	May.	April.	A year ago.
Number	880	905	1,289
Liabilities	$13,134,672	$14,271,849	$11,771,891
	May, 1918.		May, 1917.
Building permits (Bradstreet's): (149 cities)	$45,863,724		$60,588,685